

Message Text

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21

ACTION NEA-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04

SIL-01 DODE-00 PM-03 H-02 L-03 PA-01 PRS-01 SAB-01

SAM-01 /090 W

----- 043043

R 040912Z JUN 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 3114

LIMITED OFFICIAL USE KUWAIT 2355

E.O. 11652: N/A

TAGS: EINV, KU

SUBJECT: GOK EXPECTED PURCHASE \$75 MILLION IN U.S. REAL ESTATE
THROUGH NEW COMPANY IN 1975.

REF: (A) KUWAIT 0361 (B) KUWAIT 2228 (C) KUWAIT 4734 (1974)

1. EMBOFF TOLD BY KNOWLEDGEABLE SOURCE THAT GOK HAS IN 1975
PURCHASED \$25 MILLION IN U.S. REAL ESTATE THROUGH KUWAIT-U.S.
JOINT-VENTURE KUWAIT PROPERTIES INTERNATIONAL (KPI) AND IS
EXPECTED TO COMMIT AN ADDITIONAL \$50 MILLION BEFORE YEAR END.
KPI WHICH 49 PERCENT OWNED BY BANK OF AMERICA WITH REMAINING
SHARES HELD BY B OF A-MANAGED KUWAIT REAL ESTATE BANK WAS SET
UP IN FALL 1974 AS VEHICLE TO IDENTIFY PRIME WESTERN NORTH
AMERICAN REAL ESTATE AND CHANNEL GOK AND PRIVATE FUNDS INTO SUCH
PROPERTIES.

2. ACCORDING SOURCE GOK'S PRESENT POLICY IS NOT TO INVEST MORE
THAN \$10 MILLION IN ANY SINGLE PROPERTY AND TO CONCENTRATE ON
COMMERCIAL REAL ESTATE. KPI KEEPS LOW PROFILE AND TRIES TO
MAINTAIN CONFIDENTIALITY KUWAITI INVESTMENTS IN LINE WITH GOK
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WISHES. SOURCE SAID KPI WAS SET UP WITH HOPES THAT IT COULD

EVENTUALLY CHANNEL \$300 MILLION ANNUALLY INTO NORTH AMERICA
FROM KUWAIT, BUT IT NOT DISAPPOINTED WITH RESULTS SO FAR.

3. COMMENT: WE UNDERSTAND SOME PROPERTIES ARE IN CALIFORNIA,
MAINLY IN SAN FRANCISCO AND LOS ANGELES AREAS AND AS NOTED IN
REF. C WE UNDERSTAND KPI WILL BE INVOLVED IN DALLAS HILTON
HOTEL PROJECT.

MAU

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NNN

Message Attributes

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Disposition Reason:
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